

Message Text

UNCLASSIFIED

PAGE 01 GUAYAQ 00788 141834Z

56

ACTION OPIC-06

INFO OCT-01 ARA-10 ISO-00 EB-07 AID-05 CIAE-00 INR-07

NSAE-00 COME-00 /036 W

----- 012711

R 132122Z MAY 76

FM AMCONSUL GUAYAQUIL

TO SECSTATE WASHDC 4603

INFO AMEMBASSY QUITO

UNCLAS GUAYAQUIL 0788

DEPARTMENT PLEASE PASS TO OVERSEAS PRIVATE INVESTMENT CORP

E.O. 11652: N/A

TAGS: EFIN

SUBJECT: GALAPAGOS TOURIST CORPORATION S.A.

REF: STATE 112543

1. IN EFFORT TO PROVIDE USEFUL REPLY TO REFTEL, CONGEN HAS CONTACTED SOME LOCAL SOURCES OF INFORMATION AND ALSO DISCUSSED SUBJECT WITH MICHAEL GORDON. FOLLOWING IS SUMMARY OF INFORMATION AVAILABLE AND OUR CONCLUSIONS.

2. METROPOLITAN TOURING CO., S.A., AS CITED IN REFTEL, IS QUITO-BASED AGENCY. ITS OWNERS, WHO WE BELIEVE HAVE GOOD CONTACTS WITH THE PRESENT GOVERNMENT, ARE EDUARDO PROANO, PRESIDENT, AND HERNAN CORREA ARROYO, GENERAL MANAGER. CORREA IS ALSO A CO-OWNER OF THE HOTEL COLON INTERNACIONAL IN QUITO. (FYI: METROPOLITAN TOURING IN QUITO SHOULD NOT BE CONFUSED WITH METROPOLITAN TOURING OF GUAYAQUIL. LATTER IS COMPLETELY SEPARATE AGENCY WITH COMPLETELY SEPARATE OWNERSHIP. ONLY NAME IS THE SAME. END FYI).

3. METROPOLITAN TOURING (QUITO) HAS REPLACED THE "FLOREANA" WITH THE "DELFIN" WHICH ARRIVED IN ECUADOR LAST MONTH AND REPORTEDLY MADE INAUGURAL SAILING TO GALAPAGOS MAY 11. THE "DELFIN" HAS CAPACITY FOR 30 PAS-

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 GUAYAQ 00788 141834Z

SENGERS BUT IS WHAT IS TERMED LOCALLY AS A "DAY BOAT."

THIS MEANS BOAT HAS NO CAPACITY FOR PASSENGERS TO STAY OVERNIGHT AND THEREFORE MUST RETURN TO BASE HOTEL IN GALAPAGOS EVERY EVENING. RESULT IS THAT RANGE OF "DELFIN" IS LIMITED BY DISTANCE IT CAN COVER ROUND TRIP DURING DAYLIGHT HOURS. "DELFIN" WILL BE STATIONED IN GALAPAGOS AND PASSENGERS WILL BE FLOWN FROM GUAYAQUIL. BASE HOTEL REPORTEDLY "HOTEL GALAPAGOS," SANTA CRUZ ISLAND, OWNED AND OPERATED BY US CITIZEN FOREST NELSON (WHO IS ALSO CLOSE FRIEND OF GORDON).

4. OUR INFORMATION INDICATES THAT METROPOLITAN TOURING WILL HAVE DIFFICULTY IF IT TRIES TO BLOCK SEVERAL OTHER TRAVEL AGENCIES ALREADY COMPETING IN GALAPAGOS TRADE. FOR EXAMPLE, ECUADOREAN NAVY CONTROLS FUEL FACILITIES IN ISLANDS AND SELLS TO ANY PROPERLY LICENSED VESSEL WHICH APPLIES - AND TO THE BEST OF OUR KNOWLEDGE WITHOUT FAVORITISM. QUESTION OF FOOD ALSO DOES NOT APPEAR TO BE A PROBLEM, AND IN ANY CASE GORDON PLANS TO OBTAIN VIRTUALLY ALL OF HIS PROVISIONS IN GUAYAQUIL. (HIS NEW BOAT WILL MAKE ONE TRIP A MONTH TO THE MAINLAND.) IN ANY CASE, WE HAVE NO INFORMATION TO INDICATE THAT EITHER HE OR OTHER COMPETING AGENCIES WILL HAVE ANY TROUBLE BUYING FOOD AND OTHER SUPPLIES IN THE ISLANDS. QUESTION OF ACCESS TO AIR TRANSPORT ALSO DOES NOT APPEAR TO BE A PROBLEM. TAME (DOMESTIC AIRLINE RUN BY THE AIR FORCE) HAS REGULAR COMMERCIAL FLIGHTS TO GALAPAGOS EACH FRIDAY AND WILL CHARTER AN ENTIRE PLANE TO ANY TRAVEL AGENCY WHICH REQUESTS IT - AGAIN, AS FAR AS WE KNOW, WITHOUT FAVORITISM. IN SUM, WE HAVE NO REASON TO BELIEVE METROPOLITAN TOURING HAS INFLUENCE OR GUTS ENOUGH TO TRY TO PREVENT EITHER GORDON OR ANY OTHER TRAVEL AGENCY FROM COMPETING FOR GALAPAGOS TOURISM TRADE.

5. IT IS ALSO PERTINENT TO POINT OUT THAT GORDON HAS EXCELLENT CONTACTS WITH THE ECUADORIAN NAVY WHICH CONTROLS ENTIRE ZONE OF GALAPAGOS. GORDON HAS LIVED IN ECUADOR 16 YEARS AND IS THE LOCAL LLOYDS OF LONDON REPRESENTATIVE FOR MARINE SURVEYS. HE FREQUENTLY TAKES ON PROJECTS FOR THE NAVY. ALTHOUGH METROPOLITAN TOURING MAY HAVE GOOD CONTACTS IN QUITO, GORDON ALSO HAS INFLU-

UNCLASSIFIED

PAGE 03 GUAYAQU 00788 141834Z

ENTIAL CONTACTS IN GUAYAQUIL, AND POSSIBLY HIS ARE A BIT MORE SIGNIFICANT WHEN IT COMES TO THE GALAPAGOS BUSINESS. ALSO, AS IN THE CASE OF METROPOLITAN TOURING, GORDON HAS BEEN IN THE GALAPAGOS TOURISM BUSINESS FOR ABOUT 8 YEARS, AND GALAPAGOS TOURIST CORP. S.A. IS LEGALLY REGISTERED COMPANY FOR TOURISM IN GALAPAGOS. THEREFORE, GORDON, ESPECIALLY, SHOULD HAVE NO DIFFICULTY IN OBTAINING SERVICES OR SUPPLIES FOR ANY VESSEL HE HAS IN THIS

SERVICE.

6. GORDON INDICATES BOAT HE WILL BUY WILL BE FONFIGURED TO ACCOMMODATE TRAVELERS OVERNIGHT, THEREBY ALLOWING HIS BOAT TO COVER ENTIRE FAR-FLUNG GALAPAGOS ARCHIPELAGO WITHOUT NEEDING TO RETURN TO BASE HOTEL EACH NIGHT. THIS, AND THE FACT THAT HIS DAILY RATE IS ALMOST IDENTICAL TO THAT BEING CHARGED BY METROPOLITAN TOURING FOR ITS "DAY BOAT" (80 DOLLARS VERSUS 79 DOLLARS) MAY ACTUALLY GIVE GORDON A COMPETITIVE EDGE BECAUSE HIS CLIENTS WILL BE ABLE TO SEE MUCH MORE OF GALAPAGOS THAN THOSE CARRIED BY METROPOLITAN TOURING.

7. AS FOR MICHAEL GORDON HIMSELF, HE IS WELL-KNOWN TO THE CONSULATE AND IS TYPE OF CAREFUL, SENSIBLE INDIVIDUAL WHO WOULD NOT LIKELY GO INTO THIS VENTURE IF HE WERE NOT CONFIDENT OF SUCCESS. GORDON HAS EVALUATED, WE BELIEVE CORRECTLY, THAT DEMAND FOR GALAPAGOS TOURS IS HEAVY, UNSATISFIED, AND WILL INCREASE, AND THAT THE VESSEL HE WILL PURCHASE WILL BE PROFITABLE ENDEAVOR. GORDON IS ALSO A VERY CAPABLE SHIP'S CAPTAIN AND MARINE SURVEYOR, AND RESPECTED AND LIKEABLE LOCAL BUSINESSMAN.

8. THEREFORE, IN VIEW OF ABOVE, WE GIVEN SOLID RECOMMENDATION THAT OPIC LOOK FAVORABLY ON FINANCING REQUEST FOR VESSEL BY GORDON. SCHRAGE REPORTS.
BISHTON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCE, SALES, SHIPS, TOURISM
Control Number: n/a
Copy: SINGLE
Draft Date: 13 MAY 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976GUAYAQ00788
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760187-0209
From: GUAYAQUIL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760559/aaaabykv.tel
Line Count: 142
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION OPIC
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 STATE 112543
Review Action: RELEASED, APPROVED
Review Authority: CollinP0
Review Comment: n/a
Review Content Flags:
Review Date: 23 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 JUN 2004 by wolfsd>; APPROVED <21 JAN 2005 by CollinP0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GALAPAGOS TOURIST CORPORATION S.A.
TAGS: EFIN, US, EC, OPIC, GALAPAGOS TOURIST CORPORATION S A, METROPOLITAN TOURING CO S A, (GORDON, MICHAEL)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006